

## **SECTION IV.**

### **Housing Market Analysis**

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This section addresses the requirements of Sections 91.305 and 91.310 of the State Government contents of Consolidated Plan regulations. In contrast to the Housing & Community Development Needs section (Section III), which contains a qualitative assessment of housing and community development conditions, this section is quantitative in nature. Sections III and IV should be read together for a complete picture of housing and community development needs in the State.

To better understand the demand for rental assistance, a mail survey of Public Housing Authorities (PHAs) in non-entitlement areas in the State was conducted as part of the Consolidated Plan process. The survey asked about Section 8 Housing Choice (HC) voucher usage by individual housing authorities, and was administered between January and February 2004. Forty-three surveys were mailed and 29 responses were received, a 67.4 percent response rate.

#### **Methodology**

This analysis of housing market conditions includes data from the 2000 Census, data from the American Community Survey's (ACS) Summary Tables and Public Use Microdata (PUMS). Specifically, it has new data from the 2002 ACS that was released since the last update of the Consolidated Plan. The Summary Tables and PUMS data sets provide the data communities need every year instead of once in ten years. The data are from on-going surveys that will ultimately replace the long form survey used in prior Censuses.

The ACS will provide estimates of demographic, housing, social, and economic characteristics every year for all states, as well as for all cities, counties, metropolitan areas, and population groups of 65,000 people or more. For smaller areas, it will take three to five years to accumulate a sufficient sample to produce data for areas as small as census tracts. Data for 2002 are available for the nation, most areas with a population of 250,000 or more, and selected areas of 65,000 or more.

The ACS uses three modes of data collection - mail, telephone and personal visit – and is given to a sample of the population during a three month period. The profile universe is currently limited to the household population and excludes the population living in institutions, college dormitories, and other group quarters. The group quarters population will be included starting in 2005 when the ACS begins full implementation. Data are based on a sample and are subject to sampling variability.

PUMS data from the Census 2000 Supplementary Survey and 2001 Supplementary Survey show the full range of responses made on individual surveys – e.g., how one household or member answered questions on occupation, place of work, and so forth. The files contain records for a sample of all housing units, with information on the characteristics of each unit and the people in it. PUMS data allow a more detailed analysis of the Census survey data than is available from the ACS Summary Tables and 2000 Census tables.

## Housing Types

There were approximately 2.6 million housing units in the State in 2002, according to the U.S. Census Bureau's ACS Summary Tables. This was an increase of approximately 83,000 housing units (3.3 percent) from 2000. Approximately 64 percent of these units were owner-occupied, 25 percent were renter occupied and 10 percent were vacant. Of the 2.3 million units that were occupied, 72 percent were owner-occupied; 28 percent were renter occupied.

According to the Census Bureau's annual survey, the State's homeownership rate in 2002 was 71.8 percent – much higher than the national homeownership rate of 66.4 percent. Indiana was one of nine States with homeownership rates of 71.8 percent or higher in 2002.

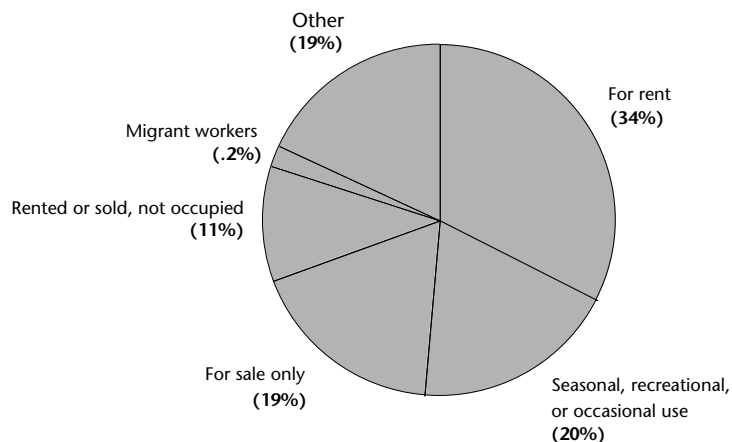
**Vacant units.** The 2002 Statewide homeownership vacancy rate was estimated by the Census Bureau's annual survey to be 1.2 percent. The 2002 rental vacancy rate was estimated at 11.2 percent, which is higher than the rate in 2000 and 2001, and well above the 7.5 percent average rate over the previous 15 years.

In 2000, over half of all vacant units in the State (62 percent) consisted of owner or renter units that were currently not occupied; most of these units were for sale or rent. Another 20 percent consisted of seasonal units, while 19 percent of units were reported as "other vacant." Just 304 units were reported as designated for seasonal workers and vacant at the time the Census was taken. Other vacant units included caretaker housing, units owners who choose to keep vacant for individual reasons and other units that did not fit into the other categories.

Exhibit IV-1 shows the vacant units in the State by type.

### Exhibit IV-1. Vacant Units by Type in Indiana, 2000

Source:  
U.S. Bureau of the Census, 2000.

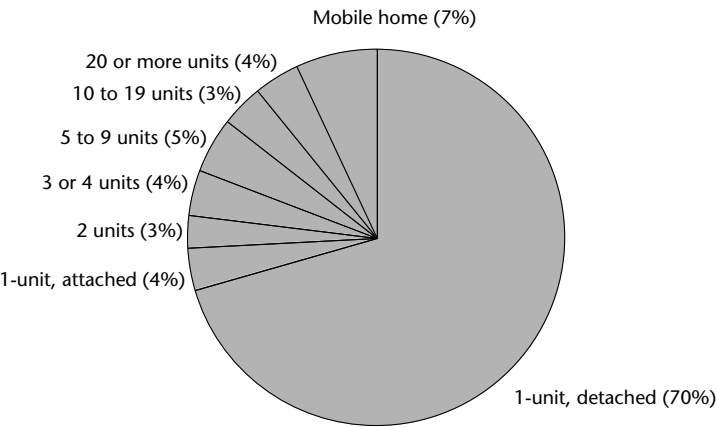


**Composition of housing stock.** Data from the 2002 ACS form indicate that most housing in Indiana (70 percent of units) was made up of single family, detached homes. Over 77 percent of units were in structures with two or fewer units, with only 16 percent in structures with 3 units or more and 7 percent of units defined as mobile homes. Exhibit IV-2 presents the composition of housing units in the State.

**Exhibit IV-2.**  
**Distribution of Housing**  
**Units by Size/Type in**  
**Indiana, 2002**

Note: Due to the small number of units (2,684), boats, RVs and vans were excluded from this chart.

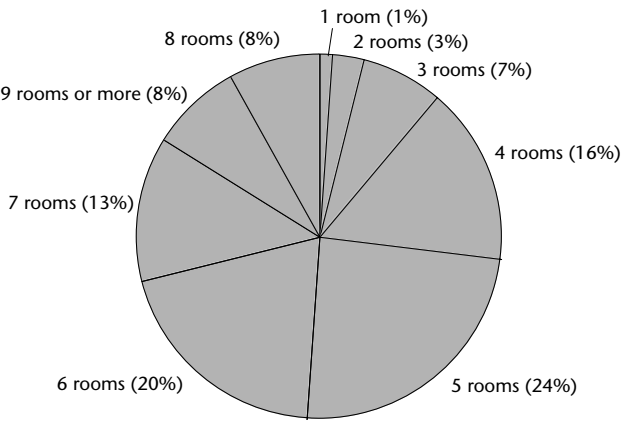
Source:  
U.S. Census Bureau, American Community Survey, 2002.



Housing units in Indiana tend to have at least four rooms, with 73 percent reported as having four to seven rooms. The Census Bureau reported a median of 5.4 rooms per housing unit in the State. Exhibit IV-3 presents the distribution of housing units in the State by number of rooms.

**Exhibit IV-3.**  
**Distribution of Housing**  
**Units by Number of**  
**Rooms in Indiana, 2002**

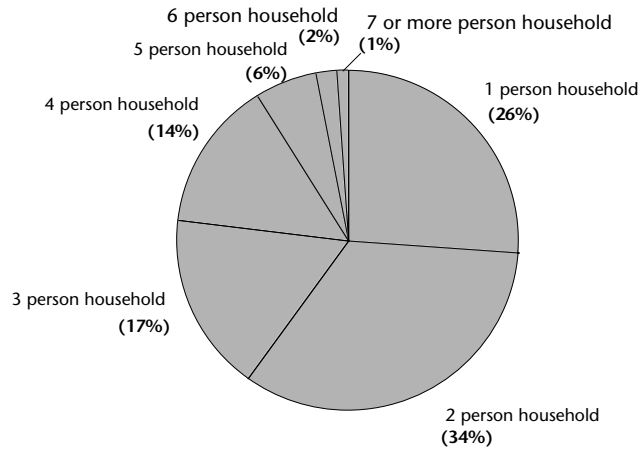
Source:  
U.S. Census Bureau, American Community Survey, 2002.



**Composition of households.** Data from the 2000 Census show the majority of housing units in the State are occupied by two-person households (34 percent), followed by one-person households (26 percent). Exhibit IV-4 shows the distribution of housing units by household size.

**Exhibit IV-4.  
Households in Occupied  
Units, 2000**

Source:  
U.S. Bureau of the Census, 2000.



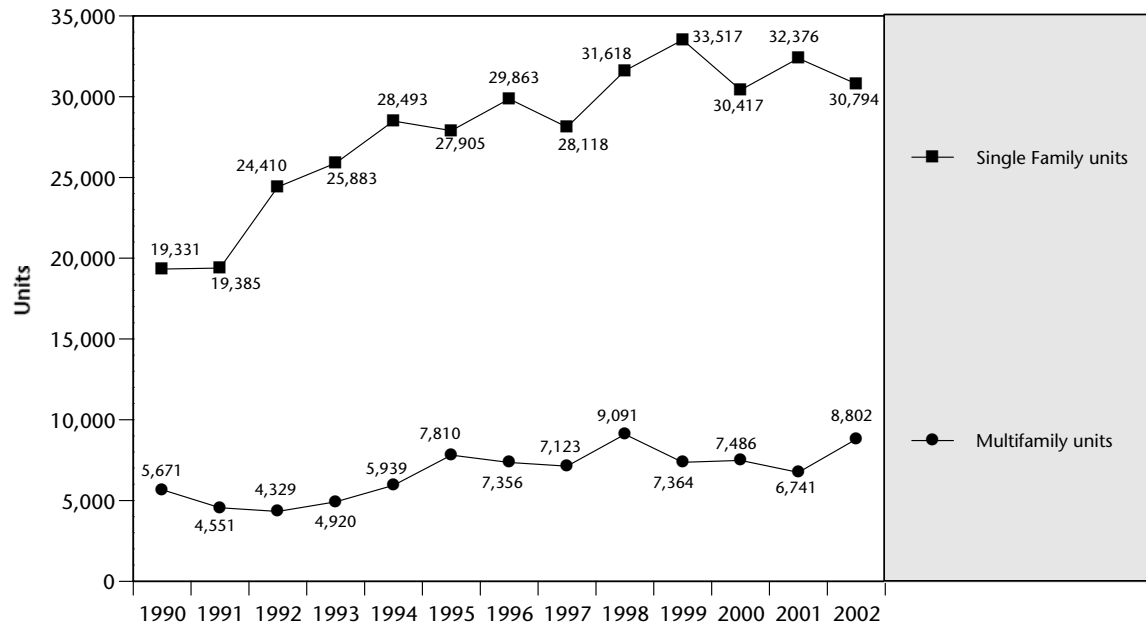
According to the ACS, the average household size in Indiana in 2002 was 2.55 persons per household.

**Housing Supply**

**Construction activity.** During 2002, 39,596 building permits were issued for residential housing development in Indiana. This is about the same level as in 2001 and is close to historically high levels of the late 1990s. Seventy-eight percent of the building permits issued in 2002 was for single family construction; 22 percent was for multifamily units, most having 5 units or more.

Exhibit IV-5 on the following page shows trends in building permit activity statewide since 1990 by single and multifamily units.

**Exhibit IV-5.**  
**Building Permit Trends by Single and Multi Family Units, 1990-2002**



Source: U.S. Census Bureau.

**Vacancy rates.** As noted previously, the Statewide homeownership vacancy rate was estimated at 1.2 percent in 2002 by the U.S. Census Bureau. The rental vacancy rate in the State was an estimated 11.7 percent in 2002 – a 1.1 percent increase from 2000, which had the highest rental vacancy rate in the past 15 years. The 2002 rental vacancy rate was well above the 7.5 percent average rate of the preceding 15 years.

**Expiring use properties.** A growing concern in the country and Indiana is the preservation of the supply of affordable housing for the lowest income renters. In the past, very low income renters have largely been served through federal housing subsidies, many of which are scheduled to expire in coming years. The units that were developed with federal government subsidies are referred to as “expiring use” properties.

Specifically, expiring use properties are multifamily units that were built with U.S. government subsidies, including interest rate subsidies (HUD Section 221(d)(3) and Section 236 programs), mortgage insurance programs (Section 221(d)(4)) and long-term Section 8 contracts. These programs offered developers and owners subsidies in exchange for the provision of low income housing (e.g., a cap on rents of 30 percent of tenants’ income). Many of these projects were financed with 40 year mortgages, although owners were given the opportunity to prepay their mortgages and discontinue the rent caps after 20 years. The Section 8 project-based rental assistance contracts had a 20 year term.

Many of these contracts are now expiring, and some owners are taking advantage of their ability to refinance at low interest rates and obtain market rents. Most of Indiana's affordable multifamily housing was built with Section 221 (d)(3) and Section 236 programs. Thus, a good share of Indiana's affordable rental housing could be at risk of elimination due to expiring use contracts. According to HUD's expiring use database, as of January 2004 (the latest data available), Indiana had approximately 32,500 units in expiring use properties, or approximately 5 percent of the State's total rental units.

When expiring use units convert to market properties, local public housing authorities issue Section 8 vouchers to residents of the properties that are converting to market rates. In some cases, market rents may be lower than subsidized rents, which could enable residents to stay in their current units. Vouchers may also give residents an opportunity to relocate to a neighborhood that better meets their preferences and needs. The outcomes of expiring use conversions are hard to determine because of the many variables (location, level of subsidized rents, tenant preferences) that influence tenants' situations.

Nonetheless, the loss of the affordable rental units provided by expiring use properties could put additional pressure on rental housing markets, especially in Indiana's urban counties, where most of these units are located.

In 1997, Congress passed legislation that provides solutions, such as debt restructuring, to the expiring use problem. The legislation requires that HUD outsource the restructuring work to Participating Administrative Entities (PAEs). In January 1999, the Indiana Housing Finance Authority (IHFA) was selected to be the PAE for all expiring use properties in the State. In that responsibility, IHFA is playing a direct role in finding solutions by encouraging owners to stay in the federal programs, in addition to examining other programs and creative financing tools that will help preserve these properties as affordable housing.

Additionally, in May 2000, HUD selected IHFA to serve as a contract administrator for selected project-based housing assistance payment contracts in the State. In this role, IHFA manages the contracts between HUD and the owners of affordable housing projects to ensure that the projects remain affordable, provide decent and safe housing, and are absent of housing discrimination. As of March 2004, IHFA was under contract to administer 415 properties. Within these properties there are over 28,000 units receiving Section 8 rental assistance.

Nationally, less than 10 percent of owners of expiring use have opted out. The National Alliance of HUD Tenants, working with HUD data, estimates that up to 200,000 units have been lost to conversion nationally since 1996. The percentage of owners who have opted out in Indiana has been much lower than the national percentage. Since the Section 8 preservation effort began in 2000, 46 properties representing 2,342 units have either opted out of the Section 8 program or been removed from the program due to action taken by HUD's Departmental Enforcement Center. Of these, 13 of the properties, representing 399 assisted units, were from IHFA's contract administration portfolio.

There are 46 counties with all of their expiring use units due to expire by January 2008. Exhibit IV-6 on the following page shows the percent of units with affordable provisions that are due to expire in the next five years by county along with the total number of expiring units.

**Exhibit IV-6.****Percentage of Expiring Use Units That Will Expire by January 2009, by County, as of January 2004**

County	Percent of Expiring Use Units Due to Expire by January 2008, by County	Total Expiring Use Units		Percent of Expiring Use Units Due to Expire by January 2008, by County	Total Expiring Use Units
Adams	100%	223	Lake	88%	3,744
Allen	86%	1,489	Lawrence	91%	217
Bartholomew	85%	465	Madison	92%	596
Blackford	100%	142	Marion	88%	6,644
Boone	100%	194	Marshall	38%	185
Carroll	100%	10	Miami	100%	88
Cass	100%	346	Monroe	96%	461
Clark	94%	870	Montgomery	100%	241
Clinton	68%	95	Morgan	100%	420
Crawford	100%	123	Newton	100%	18
Daviess	100%	236	Noble	90%	224
Dearborn	74%	155	Orange	100%	136
Decatur	68%	203	Owen	100%	68
DeKalb	100%	72	Parke	100%	60
Delaware	87%	485	Perry	100%	93
Dubois	100%	252	Pike	74%	77
Elkhart	78%	887	Porter	96%	341
Fayette	100%	180	Posey	100%	116
Floyd	100%	293	Putnam	100%	132
Fountain	100%	20	Randolph	100%	77
Gibson	96%	291	Ripley	100%	56
Grant	89%	653	Rush	62%	78
Greene	70%	76	St Joseph	98%	1,849
Hamilton	100%	346	Scott	76%	142
Hancock	71%	104	Shelby	100%	146
Harrison	0%	50	Spencer	100%	22
Hendricks	100%	166	Steuben	92%	76
Henry	83%	214	Tippecanoe	97%	1,520
Howard	100%	436	Union	100%	50
Huntington	100%	129	Vanderburgh	100%	873
Jackson	100%	276	Vermillion	100%	248
Jasper	100%	54	Vigo	90%	528
Jay	100%	36	Wabash	100%	215
Jefferson	89%	351	Warrick	100%	120
Jennings	64%	22	Washington	100%	49
Johnson	100%	497	Wayne	86%	733
Knox	100%	293	Wells	100%	129
Kosciusko	86%	146	White	100%	62
La Porte	100%	660	Whitley	100%	30
LaGrange	100%	48			
		<b>Total</b>		<b>91%</b>	<b>32,452</b>

Note: Expiration dates are according to the "TRACS Current Expiration Date" as provided by HUD.

Source: U.S. Department of Housing and Urban Development and BBC Research & Consulting.



## Housing Condition

Measures of housing condition are relatively scarce. However, the annual release of the ACS's Summary Tables and PUMS provide a good source of current information on housing conditions. Census long-form data was used in the previous Update, but since the long-form is done only once every 10 years, long-form information becomes out of date.

The ACS data cover the important indicators of housing quality, including plumbing facilities, type of heating fuel, age and crowding. In addition to measuring housing conditions, such variables are also good indicators of community development needs, particularly of weaknesses in public infrastructure. The Census Bureau reports most of these characteristics for occupied housing units.

**Plumbing.** The adequacy of indoor plumbing facilities is often used as a proxy for housing conditions. The ACS estimated there were 8,813 housing units lacking complete plumbing in 2002, or 0.4 percent of occupied units in the State, lack complete plumbing facilities. This is an improvement over 2000, when a figure of 0.5 percent was reported for inadequate plumbing, and a substantial improvement over 1990 and 1980, when 0.7 percent and 2 percent, respectively, of the State's housing units had inadequate facilities.

According to the 2000 Census, there are 10 counties where more than two percent of the total housing stock, occupied and vacant, lacks complete plumbing facilities. County level data was not available for 2002. Exhibit IV-7 shows the counties the with more than 2 percent of their housing stock without complete plumbing facilities.

**Exhibit IV-7.  
Counties with More Than  
2 Percent of Housing  
Stock without Complete  
Plumbing Facilities, 2000**

Source:  
U.S. Bureau of the Census, 2000.

Geography	Percent of Housing Units
Adams County	5.5%
Switzerland County	4.6%
Crawford County	4.2%
Owen County	3.7%
Martin County	3.4%
Parke County	3.0%
Perry County	2.8%
Greene County	2.8%
Washington County	2.6%
Orange County	2.3%

**Heating fuel and kitchens.** According to the 2002 ACS, most occupied housing units in Indiana were heated by gas provided by a utility company (60.5 percent) or by electricity (24.0 percent), while a significant percentage uses bottled, tank or LP gas (9.9 percent). A small number of units (44,553, or 1.9 percent) report heating with wood, and another 6,165 units (0.3 percent) do not use any fuel. The lack of heating fuel for units other than seasonal units is a likely indicator of housing condition problems.

Another indicator of housing condition includes the presence of kitchen facilities. About 13,000 units Statewide (0.5 percent) of occupied units lack complete kitchen facilities in 2002.

**Water and sewer.** There has been a growing awareness and concern in Indiana about the number of housing units that rely on unsafe water sources. According to the Indiana State of the Environment Report for 2003, 73 percent of Indiana households get their drinking water from community public water supply systems. Wells were the source of water for 15 percent of the State's housing. This is substantially less than in 1990, when 25 percent of the State's households were served by wells. Nationally, about 84 percent of housing units are served by public or private systems; wells are the water source for about 15 percent of units nationwide.

Water quality is another important consideration for the assessment of housing conditions. The Indiana Department of Environmental Management reported in 2002 that 93.5 percent of Indiana's public water systems were in compliance with EPA *water-quality* standards for the presence of the 91 primary contaminants. Compliance with health standards has remained consistent even though new mandates or requirements have increased since 1997.

An evaluation of the 2002 Annual Compliance Report for Indiana Public Water Supply Systems as compared to 2001 showed an improvement in the compliance rates for various contaminant violations. This improvement in the compliance rate was attributed to the implementation of the small system laboratory assistance program instituted in July 2002. The program provides sampling assistance to systems serving population less than 100 people for contaminants.

The percent of public water systems that have *monitoring and reporting* violations for at least one contaminant was approximately 42 percent in 2002, which is consistent with previous reports (approximately 43 percent), and many of the remaining non-complying systems in the State serve businesses and not residential users. The number of Indiana residents at risk of exposure to harmful contaminants resulting from non-compliant water providers has fallen dramatically. From 1994 to 1999 there was a 97 percent decline in the number of water users dependent on systems that were in significant non-compliance with State and federal regulations.

Public sewerage provision to housing in Indiana is still somewhat below the national average, based on the most recently available data. In 1990, about 68 percent of the State's housing units were served by public sewers, while about a third of the State's housing units relied on a septic tank for sewage disposal. Nationally, public sewers served 74 percent of housing units and septic tanks were used by 25 percent of housing units.

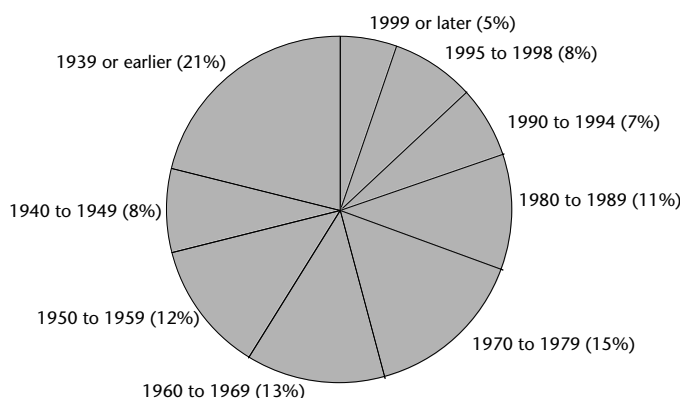
In the past, comprehensive data on access to public water and sewer was available from the Census Bureau. Unfortunately, the Census Bureau has discontinued tracking these indicators, and no agency has filled that gap to date.

**Age.** Age can also be a proxy for the condition of housing, especially the risk of lead-based paint. As discussed later in this section, units built before 1940 are most likely to contain lead based paint. Units built between 1940 to 1978 have a lesser risk (lead was removed from household paint after 1978), although many older units may have few if any problems depending on construction methods, renovation and other factors.

Housing age data from the 2002 ACS indicate that almost 29 percent of the State's housing units, occupied or vacant, was built before 1940, when the risk of lead based paint is the highest. Approximately 70 percent of the housing stock was built before 1979. As of the 2000 Census, the median age of housing stock in the State was 34 years old. Exhibit IV-8 presents the distribution of housing units in the State by age.

**Exhibit IV-8.  
Housing Units by  
Year Built, 2002**

Source:  
U.S. Census Bureau's American Community  
Survey, 2002.



**Overcrowding.** A final measure of housing conditions is overcrowding. The Census Bureau reports that in 2002, 1.5 percent of the State's occupied housing units, or 44,287, were overcrowded, which is defined as more than 1.01 persons per room. Less than a half percent of the State's housing units were severely overcrowded (more than 1.51 persons per room). These data compare favorably to national averages of 4.0 percent of units that were overcrowded and 1.3 percent severely overcrowded in 2002.

**Combined factors.** PUMS data provided by the 2002 ACS allow for a comparison of housing condition factors by household income.

The household income categories of 31 to 50 percent and 81 to 100 percent of median household income had a higher ratio of households with more than one person per room, 2.2 percent and 2.5 percent, respectively, than other income categories. The following exhibit shows the percent of households experiencing overcrowding by household income category.

**Exhibit IV-9.  
Overcrowded Housing Units by Household Income Category, 2002**

% of Median Household Income	Income Cut-Off	Percent of All Occupied Units that are Overcrowded	Distribution of Units Overcrowded
less than or equal to 30%	\$12,390	1.7%	10.6%
31% to 50%	\$20,650	2.2%	13.3%
51% to 80%	\$33,040	1.6%	13.9%
81% to 100%	\$41,300	2.5%	14.6%
greater than 100%	\$41,300 +	1.8%	47.5%
<b>Total</b>		<b>1.9%</b>	<b>100.0%</b>

Note: Overcrowded is defined as a housing unit with more than one person per room. Households who did not report an income were excluded. Therefore, only the percentages are reported to show trends. Median household income in 2002 was \$41,300 according to PUMS data.

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

According to PUMS, just under one percent (an estimated 22,360) of occupied housing units lack complete plumbing. Of these occupied units that lack complete plumbing just under half have households who earn 50 percent or less than the area median household income. The following exhibit shows the distribution of occupied units with no plumbing by income category and the percentage of all occupied units that lack complete plumbing facilities by income.

**Exhibit IV-10.**

**Occupied Units Lacking Complete Plumbing by Household Income Category, 2002**

% of Median Household Income	Income Cut-Off	Percent of All Occupied Units with No Plumbing	Distribution of Units with No Plumbing
less than or equal to 30%	\$12,390	0.7%	22.5%
31% to 50%	\$20,650	0.9%	25.6%
51% to 80%	\$33,040	0.3%	13.4%
81% to 100%	\$41,300	0.1%	2.7%
greater than 100%	\$41,300 +	0.3%	35.9%
<b>Total</b>		<b>0.4%</b>	<b>100.0%</b>

Note: The percentages reflect those households who reported an income.

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

The data in Exhibits IV-9 and IV-10 suggest that lower income households are more likely to occupy units with condition problems than moderate to high income households.

**Substandard housing definition.** HUD requires that the state define the terms “standard condition,” “substandard condition” and “substandard condition but suitable for rehabilitation.” For the purposes of this report, units are in standard condition if they meet the HUD Section 8 quality standards. Units that are substandard but suitable for rehabilitation do not meet one or more of the HUD Section 8 quality standards. These units are also likely to have deferred maintenance and may have some structural damage such as leaking roofs, deteriorated interior surfaces, and inadequate insulation. A unit is defined as being substandard if it is *lacking the following*: complete plumbing, complete kitchen facilities, sewage removal that is hooked up to a public system, public or well water systems, and heating fuel (or uses heating fuel that is wood, kerosene or coal).

Units that are substandard but suitable for rehabilitation include units with some of the same features of substandard units (e.g., lacking complete kitchens or reliable and safe heating systems, or are not part of public water and sewer systems). However, the difference between substandard and substandard but suitable for rehabilitation is that units suitable for rehabilitation will have in place some (albeit limited) infrastructure that can be improved upon. In addition, these units might not be part of public water and sewer systems, but they will have sufficient systems to allow for clean water and adequate waste disposal.

Without evaluating units on a case-by-case basis, it is impossible to distinguish substandard units that are suitable for rehabilitation. In general, the substandard units that are less likely to be easily rehabilitated into good condition are those lacking complete plumbing; those which are not part of public water and sewer systems and require such improvements; and those heated with wood, coal, or heating oil. Units with more than one substandard condition (e.g., lacking complete plumbing and heated with wood) and older units are also more difficult to rehabilitate.

## **Environmental Issues**

Environmental issues are also important to acknowledge when considering the availability, affordability and quality of housing. Exposure to deteriorated lead based paint and lead dust on the floor and windowsills, as well as lead in the soil, represents one of the most significant environmental threats from a housing perspective. Exposure to environmental hazards in the home (e.g., dust mites, cockroaches, animals (domestic animals and pest such as rodents) and mold), especially at a younger age, have been known to trigger asthma attacks and may even contribute to the development of asthma.

### **Lead-Based Paint**

**Dangers of lead-based paint.** Childhood lead poisoning is one of the major environmental health hazards facing American children today. As the most common high-dose source of lead exposure for children, lead-based paint was banned from residential paint in 1978. Housing built prior to 1978 is considered to have some risk, but housing built prior to 1940 is considered to have the highest risk. After 1940 paint manufacturers voluntarily began to reduce the amount of lead they added to their paint. As a result, painted surfaces in homes built before 1940 are likely to have higher levels of lead than homes built between 1940 and 1978. HUD estimates that heavily leaded paint is found in about two-thirds of the homes built before 1940, one-half of the homes built from 1940 to 1960, and some homes built after 1960.

Children are exposed to lead poisoning through paint debris, dust and particles released into the air and then settle onto the floor and windowsills, which can be exacerbated during a renovation. The dominant route of exposure is from ingestion and not inhalation. Young children are most at risk because they have more hand-to-mouth activity and absorb more lead than adults.

Excessive exposure to lead can slow or permanently damage the mental and physical development of children ages six and under. An elevated blood level of lead in young children can result in learning disabilities, behavioral problems, mental retardation and seizures. In adults, elevated levels can decrease reaction time, cause weakness in fingers, wrists or ankles, and possibly affect memory or cause anemia. The severity of these results is dependent on the degree and duration of the elevated level of lead in the blood.

The primary treatment for lead poisoning is to remove the child from exposure to lead sources. This involves moving the child's family into temporary or permanent lead-safe housing. Lead-safe housing is the only effective medical treatment for poisoned children and is the primary means by which lead poisoning among young children can be prevented. Many communities have yet to plan and develop adequate facilities to house families who need protection from lead hazards.

**Extent of the lead-based paint problem.** As mentioned above, homes built before 1960 may have had interior or exterior paint with lead levels as high as 50 percent. Inadequately maintained homes and apartments are more likely to suffer from a range of lead hazard problems, including chipped and peeling paint and weathered window surfaces.

Approximately 1.8 million housing units in Indiana – more than 70 percent of the total housing stock – were built before 1978. About 540,000 units, or 21 percent of the housing stock, are pre-1940 and 523,000 units (20 percent of the housing stock) were built between 1940 and 1959. Urban areas typically have the highest percentages of pre-1940 housing stock, although the State's non-entitlement areas together have about the same percentage of pre-1940 units as the State overall. Marion County Health Department issued more than 200 citations to residents for lead hazards between January 1, 2000 and July 31, 2003. More than 99 percent of these homes were rental properties. Many small landlords (with less than 50 properties) are unaware of their responsibility of complying with code and tenants are also often ignorant of their responsibilities.

According to the Indiana Childhood Lead Poisoning Elimination Plan, Indiana children with the following characteristics are at high risk for exposure to lead hazards:

- Children living in older housing,
- Children living in poverty or families with a low-income,
- Children enrolled in Hoosier Healthwise (HH, Indiana's Medicaid and S-CHIP program), and
- Minority children.

Lower income homeowners generally have more difficulty making repairs to their homes because of their income constraints. Low income renters and homeowners often live in older housing because it is usually the least expensive housing stock. This combination of factors make lower income populations most susceptible to lead-based paint hazards. One measure of the risk of lead-based paint risk in housing is the number of households that are both low income and live in older housing units. According to PUMS data, in 2002, there were 53,233 (8.1 percent) of all renter households that were very low income (earning less than 50 percent of the state median) and lived in housing stock built before 1940. There were also 77,919 (4.6 percent) of all owners with very low income and who lived in pre-1940 housing stock. These households are probably at the greatest risk for lead-based paint hazards.

According to the Indiana State Department of Health's report to the Indiana General Assembly, 35,087 blood lead samples were taken in 2003 for children under 7 years old. Of these children, 691 (1.6 percent) were confirmed as lead poisoned. Another 572 children had failed the screening blood lead test and may or may not have been lead poisoned. However, the CDC estimates that in 2002 there were 13,400 Indiana children under age six with elevated blood lead levels.

According to the Indiana State Department of Health, Indiana has more than 13,000 active cases of children with lead poisoning and more than 2 million homes with lead based paint. Marion County Health Department has issued citations to reduce lead hazards in more than 1,100 homes. Therefore, addressing the problem through existing and new housing rehabilitation programs is

fundamental to reach the Indiana and federal goal of eliminating childhood lead poisoning by the year 2010.

**Available resources.** The Residential Lead-Based Hazard Reduction Act of 1992 (commonly referred to as Title X) supports widespread prevention efforts of lead poisoning from lead-based paint. The Title X program provides grants of between \$1 million and \$6 million to states and local governments for lead abatement in privately owned housing or housing units on Superfund/Brownfield sites. Since the program's inception in 1993 through 2002, approximately \$703 million in grants have been awarded to 37 States and the District of Columbia. The City of Indianapolis was the only Indiana community to apply for these grants. It received \$1.7 million in 2002 with the contract signed in 2003.

In addition to available funding from the Title X program, recent changes to the Community Development Block Grant (CDBG) program have added lead based paint abatement to eligible activities for CDBG funding. In order to receive Title X or CDBG funding, States must enact legislation regarding lead-based paint that includes requirements of accreditation or certification for contractors who remove lead-based paint. Indiana adopted such legislation in 1997 (Indiana Code, 13-17-14).

The State of Indiana Department of Environmental Management (IDEM), in conjunction with the Department of Health and the Marion County Health Department, developed the "Lead for 2000" campaign. Initiated in 1998, the campaign was aimed at reducing the incidence of childhood exposure to harmful lead-based contaminants by providing families and childcare facilities with free lead risk assessments and educational outreach.

In 1998, the three organizations launched the 2000 Lead-Safe Families for 2000 Project. It was the first innovative project of its kind in the nation focusing on the primary prevention of lead poisoning. Since the launch of the project, IDEM has trained more than 100 lead assessors, and they have completed more than 1,300 lead assessments in homes and childcare facilities. This effort entailed training lead-assessors, promoting awareness of the health risks that lead exposure presents, and educating families in methods that they can apply to minimize the risks presented by exposure to lead. These efforts were aimed at private homes as well as childcare facilities when children may be at risk. Several groups and individuals are now better equipped to deal with lead-based paint poisoning concerns in Indiana:

- Several health departments have individuals trained, licensed, and ready to perform risk assessments whenever a lead-poisoned child is identified by the healthcare system;
- The IDEM Lead Licensing Branch has worked through its EPA approvals and has managed the testing and licensing of a large number of individuals;
- The ISDH laboratory has successfully managed a very large volume of samples and has identified key factors for successful analysis of risk assessment sample requests;
- The institute has developed, field-tested, and made available to Indiana risk assessors a standardized set of forms for conducting and reporting a risk assessment; and

- A large number of individuals and organizations have been sensitized to the genuine threat of lead poisoning to young children. This sensitization has been obvious during the past two years, as Indiana housing agencies have been working to incorporate lead-safe work practices into rehabilitation, renovation, modernization, and weatherization programs. Several key individuals in the current effort were first involved with lead issues during the 2000 Safer Families Program, and the experience gained and lessons learned have been important to the success of the current effort.

In September 2000, HUD adopted new requirements for lead evaluation of multifamily properties that are federally assisted for new applicants of mortgage insurance. In general, the regulations require the testing and repair of all of the properties acquired or rehabilitated through federal programs. In preparation for the new requirements, IHFA sent a list of the new requirements to its HOME and CDBG recipients and held a training to assist grantees with implementation of the new requirements in April and May of 2001.

The U.S Department of Energy updated its program guidelines and procedures in July 2002 of the Weatherization Assistance Program. This action updates guidance on health and safety issues and provides lead-safe weatherization protocol work in buildings that might contain lead paints. In September 2000, the Department of Energy also updated its regulations for administration of the Weatherization Assistance Program. This update further protects residents of HUD program housing and other federally owned or assisted homes from the dangers of lead-based paint by ensuring proper remediation and mitigation protocol when weatherizing these units.

Indiana's Weatherization program goes far beyond the federal minimum when it comes to lead-based paint hazards during weatherization. Community Action Agencies received training and x-ray fluorescence equipment so they could properly identify lead-based paint and lead hazards. FSSA has adopted specific policies and procedures to protect children.

For several years, IHFA has provided funding to The Indiana Association of Community Economic Development and the Environmental Management Institute (EMI) to provide lead inspection, risk assessor and lead supervision training, certification, and refresher courses. EMI is the State's largest provider of lead hazard training and offers supervisor, risk assessor and inspector training throughout the State.

In addition, EMI and Improving Kid's Environment (IKE) conducted the second annual Lead-Safe Conference in October 2003, which provided information about improving compliance with lead hazard reduction methods. Two organizations offered accredited lead refresher training as part of the annual conference for supervisors and risk assessors.

A major challenge in mitigating lead hazards in Indiana has been increasing the number of abatement contractors. During 2003, two major changes were made to improve Indiana's numbers:

- IDEM recently streamlined its contractor licensing process; and
- EMI and IKE worked together to clarify the type of insurance required by IDEM for contractors. IDEM had been suggesting that contractors purchase specialty insurance that was cost prohibitive.



A plan is also being developed by the Indiana State Department of Health's Lead Elimination Plan Action Committee (EPAC) to eliminate lead poisoning in Indiana by 2010. The U.S. Centers for Disease Control and Prevention expects to finalize the plan by June 2004. Since childhood lead poisoning is preventable, Indiana's Plan to eliminate lead poisoning focuses on prevention. Primary prevention is focused on making older homes lead-safe.

The EPAC held its first meeting in October 2003 and has met a total of six times. At the first meeting the committee approved the creation of six subcommittees: Housing, Environmental, Medical, Screening, Resources, and Evaluation. On March 19, 2004 a draft of the plan was completed and submitted to the CDC.

**Legislation.** The Indiana General Assembly adopted a law, HEA 1171 – Lead Poisoning Prevention Legislation for Indiana, that went into effect July 1, 2002. It established specific obligations for landlords and tenants. The legislation:

- Sets the times for expiration and renewal of lead-based paint activities licenses and adjusts training for licensure.
- Provides for the licensing and training of clearance examiners.
- Prohibits the use of certain methods to remove lead-based paint and requires that removed paint be discarded, with the exception for certain homeowners.
- Requires a laboratory that tests the blood of certain children for lead to report the test results to the state department of health.
- Requires information that is gathered concerning the concentration of lead in the blood of children less than seven years of age to be shared among certain federal, state, and local government agencies.

The General Assembly also passed on October 10, 2003, revisions to its lead-based paint activities rules. These revisions amended rules concerning the licensing of individuals and contractors engaged in lead-based paint and training activities. It also added and repealed text concerning work practice standards for nonabatement activities. The revisions simply captured requirements already established in statute by the 2002 Indiana General Assembly. It is now a Class D felony to dry-sand, dry-scrape or burn paint in housing built before 1960. It is also a Class D felony to leave painted debris behind after working on these homes.

## **Asthma**

**Dangers of asthma.** Asthma is a chronic lung disease that causes episodes of breathlessness, wheezing and chest tightness. Asthma can be difficult to diagnose and differentiate from other respiratory problems. The strongest risk factors for development of asthma are family history of allergic disease and sensitization to one or more indoor allergens. Sensitization to a substance is the development of an allergic reaction to that substance. Allergens are proteins with the ability to trigger immune responses and cause allergic reactions in susceptible individuals. They are typically found

attached to very small particles, which can be airborne as well as present in household dust. Common indoor allergen sources include dust mites, cockroaches, animals (domestic animals and pest such as rodents), and mold.

According to a HUD report completed in 2001, dust mites are the only home allergen source that the National Academies' Institute of Medicine report found sufficient evidence in the literature of a causal relationship between exposure and the development of asthma in susceptible children. Exposure to house dust mite allergens in childhood has been linked to an increase in the relative risk of developing asthma, and numerous other allergens are associated with asthma exacerbation in sensitized individuals. General conclusions about the relative risk of various indoor agents associated with asthma are difficult, largely due to the dependency of the particular risk on the characteristics of a given environment (e.g., climate, urban setting) and its occupants (e.g., smokers, genetics). Research generally supports the avoidance measures for allergens begin at the earliest age possible in high risk infants.

**Extent of the asthma problem.** National data shows that prevalence of asthma in children has risen in the past 20 years and has become a significant medical problem. Between 1982 and 1994, the national prevalence of asthma increase 66 percent overall (3.5 percent to 5.8 percent) and increased 73 percent among children/young adults age 18 years and less (4.0 percent to 6.9 percent), affecting 15 million people (nearly 5 million under the age of 18).

According to the national Behavioral Risk Factor Surveillance System (BRFSS), 11.3 percent of Hoosiers have had asthma in their lifetime and 7.5 percent currently have it. These rates are the same or slightly better than the national averages of 11.8 percent and lifetime and 7.5 percent currently.

A public health survey in 2002 showed that approximately 12.9 percent of Indiana households reported having one child who had been diagnosed with and nearly 2.8 percent has two or more children diagnosed with asthma. Health officials report that asthma accounts for one third of all pediatric emergency room visits. Asthma is also the most prevalent chronic disease among children, and it is the number one reason for school absences.

A previous BRFSS study in 2000 indicated Indiana had a much higher percentage of people with asthma in the lower economic brackets: 19.3 percent of adults with annual income less than \$15,000 in Indiana had reported to have asthma, compared to 14.4 percent nationwide. Indiana also had 18.1 percent of the population reporting asthma compared to 12.1 percent for the national average among the African-American, non-Hispanic population.

**Available resources.** In 2002 IDEM joined a national steering committee comprised of state health agencies and state environmental agencies, to discuss developing a vision statement and action items to identify steps that states can take to address indoor and outdoor environmental factors that contribute to asthma in children. A document is being made available for states to use in developing their asthma prevention and control programs and will undergo further review and discussion.

IDEM and ISDH recently leveraged their resources by combining a public health and an environmental approach to address asthma by developing the Indiana Joint Asthma Council (InJAC). The Centers for Disease Control and Prevention's National Center for Environmental Health funded Indiana to create a State action plan prior to implementing activities to decrease the burden of

asthma in Indiana. The U.S. EPA funded Indiana to develop a patient education tool addressing environmental triggers of asthma. Both of these tandem projects will occur between May 2003 and September 2004.

Presently, the InJAC is on track to finalize its plan to reduce asthma in Indiana, which should be published in September 2004. The five areas of focus committees for InJAC are:

- Data and surveillance;
- General public and consumer education;
- Health care provider;
- Environmental quality; and
- Children and youth.

Housing issues are a primary focus for the Environmental Quality Committee.

### **Housing Affordability**

According to PUMS data provided by the 2002 ACS, there were a total of 460,880 cost burdened households in Indiana, 48 percent were renters and 52 percent were owners.

**Owners.** The ACS estimated the median value of an owner-occupied home in the State as \$100,762 in 2002. This compares with the U.S. median of \$136,929 and is the second lowest median compared to surrounding States, as shown in Exhibit IV-11.

**Exhibit IV-11.**  
**Regional Median Owner-**  
**Occupied Home Values, 2002**

Note:

The home values are in 2002 inflation-adjusted dollars for specified owner occupied units.

Source:

U.S. Census of the Bureau, American Community Survey, 2002.

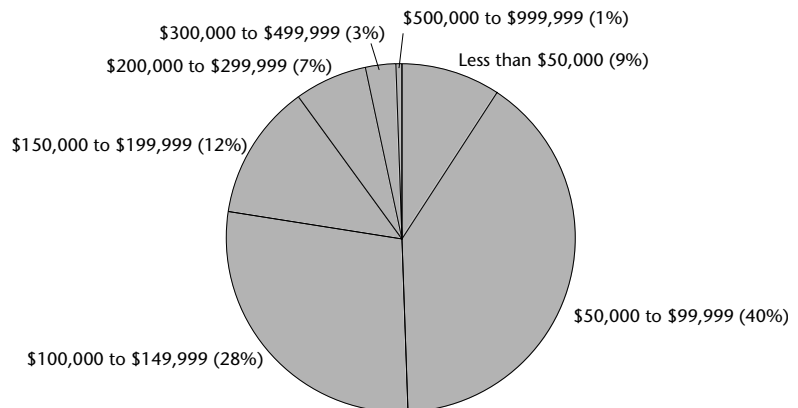


In Indiana, 40 percent of specified owner occupied units had values between \$50,000 and \$99,999, and about 68 percent were valued between \$50,000 and \$149,999. Exhibit IV-12 presents the price distribution of owner-occupied homes in the State.

**Exhibit IV-12.**  
**Owner Occupied Home**  
**Values, 2002**

Source:

U.S. Census of the Bureau, American Community Survey, 2002.



Although housing values in Indiana are still affordable relative to national standards, many Indiana households have difficulty paying for housing. Housing affordability is typically evaluated by assessing the share of household income spent on housing costs. These costs include mortgages, real

estate taxes, insurance, utilities, fuels, and, where appropriate, fees such as condominium fees or monthly mobile home costs. Households paying over 30 percent of their income for housing are often categorized as cost burdened.

The ACS reports that 17 percent of all homeowners (240,000 households) in the State were paying more than 30 percent of 1999 household income for housing, and 12 percent (171,000 households) were paying more than 35 percent. Exhibit IV-13 presents these data.

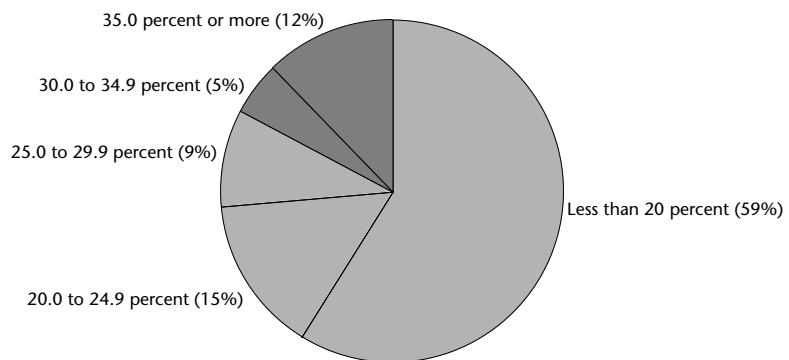
**Exhibit IV-13.**  
**Owner's Housing Costs as**  
**Percent of Household**  
**Income, 2002**

Note:

Shaded areas indicate cost burdened households.

Source:

U.S. Census of the Bureau, American Community Survey, 2002.



Among homeowners with mortgages, approximately 21 percent were reported as cost burdened, a figure that drops to about seven percent when considering homeowners without mortgages.

The 2000 Census also reports cost burden by age of the primary householder and household income range. As shown in Exhibit IV-14, the percentage of households who are cost burdened tends to decrease as householder age increases — until householders become seniors, when they are likely to be living on fixed incomes.

**Exhibit IV-14.**  
**Cost Burden by Age of Householder, Owners, 2000**

Householder Age	Number of Households Cost Burdened	Percent of Households Cost Burdened
15 to 24 years	5,265	26%
25 to 34 years	33,498	22%
35 to 44 years	51,366	16%
45 to 54 years	42,130	14%
55 to 64 years	32,711	15%
65 to 74 years	29,514	17%
75 years and older	25,685	18%

Source: U.S. Bureau of the Census, 2000.

As shown in Exhibit IV-15 below, the cost burden of owner-occupied households who pay a mortgage drops as income increases. In 2002, 88 percent of the households in the State that earned less than or equal to \$20,650 per year were cost-burdened in 2002, compared to 15 percent of

households earning more than \$20,650. \$20,650 is equal to 50 percent of the median household income of \$41,300, which was calculated using 2002 PUMS.

**Exhibit IV-15.**

**Cost Burden by Income, Owner Households with a Mortgage, 2002**

% of Median Household Income	Income Cut-Off	Cost Burdened Owner Households	% of Households Cost Burdened	Owners with a Mortgage
less than or equal to 30%	\$12,390	35,449	92%	38,730
31% to 50%	\$20,650	52,953	85%	62,113
51% to 80%	\$33,040	64,695	48%	135,225
81% to 100%	\$41,300	34,130	29%	119,408
greater than 100%	\$41,300 +	<u>53,944</u>	7%	<u>795,822</u>
<b>Total Owner Households</b>		<b>241,171</b>	<b>21%</b>	<b>1,151,298</b>

Note: Owner households who pay no mortgage were not included in calculation.

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

**Renters.** The 2002 ACS also provides data on housing costs for renter households. The Census Bureau reports that the median gross rent, Statewide, was \$545 per month in 2002. Gross rent includes contract rent, plus utilities and fuels if the renter pays for them. (And most renters do: The Census reports that 82 percent of rental units do *not* include utility payments in the rent price). About 27 percent of all units Statewide were estimated to rent for \$300 to \$499 in 2002, while another 40 percent were estimated to rent for \$500 to \$749. The distribution of Statewide gross rents is presented in Exhibit IV-16.

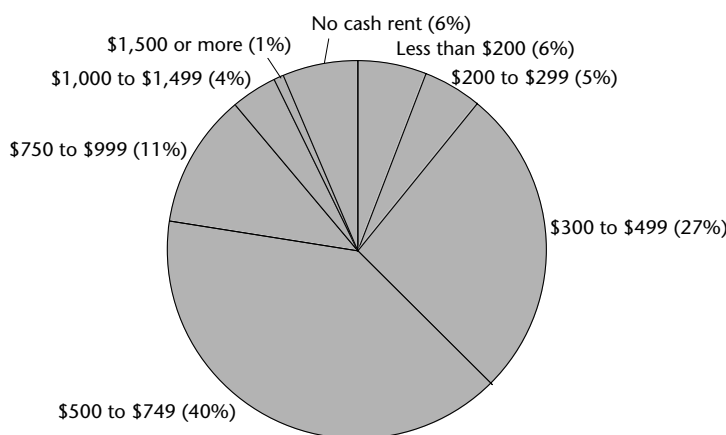
**Exhibit IV-16.**

**Distribution of Statewide Gross Rents, 2002**

Note: No Cash Rent represent units that are owned by friends or family where no rent is charged and/or units that are provided for caretakers, tenant farmers, etc.

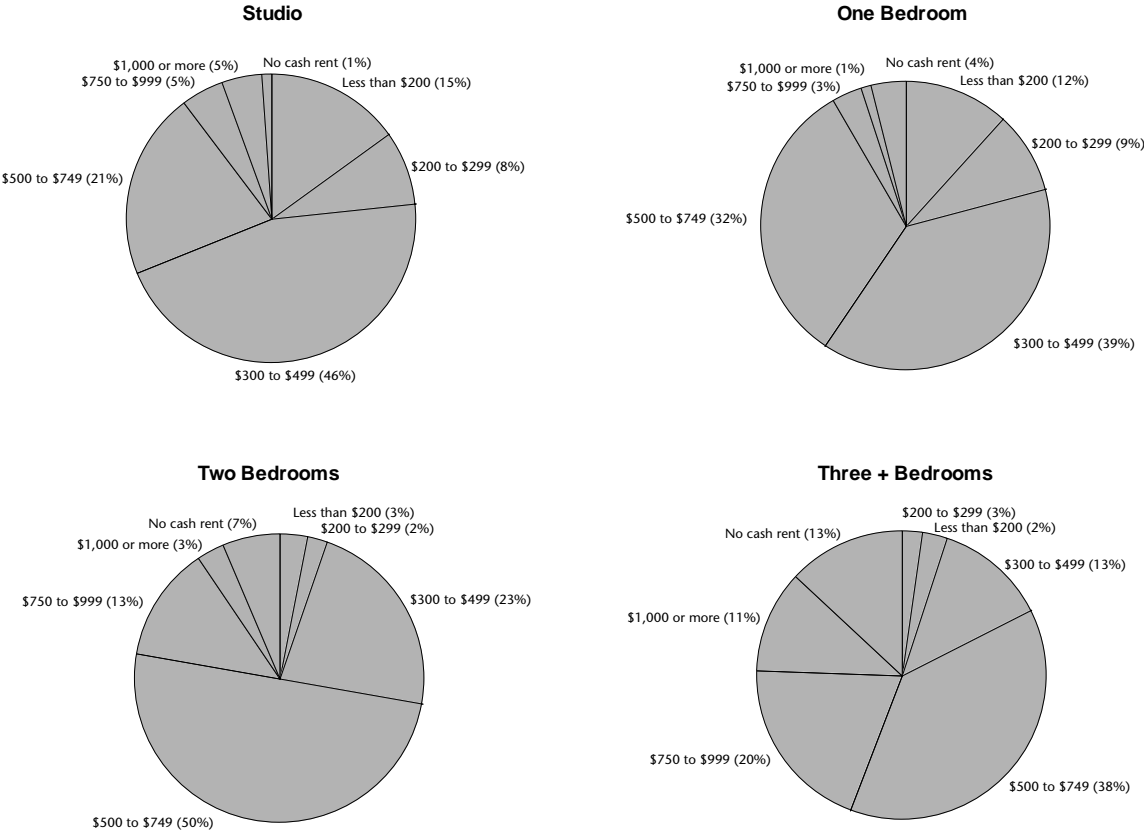
Source:

U.S. Census of the Bureau, American Community Survey, 2002.



The Census also collected data on rents by household size. Exhibit IV-17 shows the distribution of rent costs by size of housing unit.

**Exhibit IV-17.**  
**Distribution of Rents, by Size of Unit, 2002**



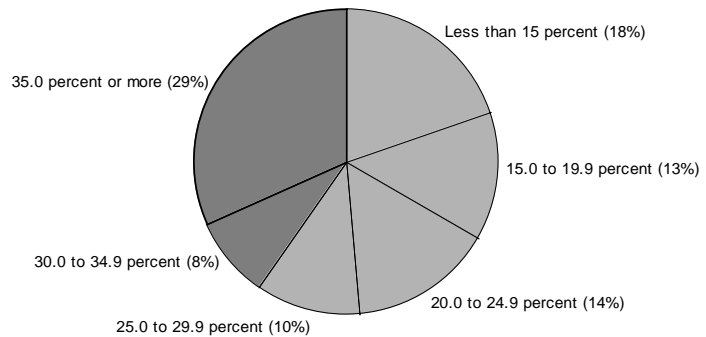
Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

As in the case of owner-occupied homes, rent burdens can be evaluated by comparing rent costs to household incomes. The 2002 ACS Summary Tables estimate that 37 percent of Indiana renters – or 238,000 – paid more than 30 percent of household income for gross rent, with most of these (29 percent of renters, or 190,000) paying more than 35 percent of their incomes. Rentals constituted only 28 percent of the State’s occupied housing units in 2002; however, there were almost as many cost-burdened renter households (238,000) as cost-burdened owner households (240,000). Exhibit IV-18 presents the share of income paid by Indiana renters for housing.

**Exhibit IV-18.**  
**Renters’ Housing Costs as**  
**Percent of Household Income,**  
**2002**

Note:  
Shaded areas indicate cost burdened households.

Source:  
U.S. Census of the Bureau’s American Community  
Survey, 2002.



The Census also reports renter cost burden by age and household income range. As shown in Exhibit IV-19, the largest numbers of cost-burdened renter households are in the youngest age cohorts. However, the youngest (15 to 24 years) and oldest (over 65 years old) households have the largest percentages of households with cost-burden: Approximately half of these households are cost burdened.

**Exhibit IV-19.**  
**Cost Burden by Age of Householder, Renters, 2000**

Household Age	Number of Households Cost Burdened	Percent of Households Cost Burdened
15 to 24 years	48,420	48%
25 to 34 years	50,088	30%
35 to 44 years	36,060	29%
45 to 54 years	22,884	28%
55 to 64 years	16,062	36%
65 to 74 years	16,534	45%
75 years and older	27,691	53%

Source: U.S. Bureau of the Census, 2000.

As would be expected, renter households with the lowest incomes are more likely to be cost burdened. Exhibit IV-20 shows cost burden by income for the State’s households in 2002. As the exhibit demonstrates, renter cost burden drops dramatically when household income exceeds 80 percent of the median household income of \$33,040.



**Exhibit IV-20.****Cost Burden by Income of Householder Who Pay Cash Rent, Renters, 2002**

% of Median Household Income	Income Cut-Off	Cost Burdened Renter Households	% of Households Cost Burdened	Renters Paying Cash Rent
less than or equal to 30%	\$12,390	77,140	51%	152,442
31% to 50%	\$20,650	75,354	71%	106,856
51% to 80%	\$33,040	36,595	27%	135,632
81% to 100%	\$41,300	5,968	9%	63,029
greater than 100%	\$41,300 +	24,652	16%	154,821
<b>Total Renter Households</b>		<b>219,709</b>	<b>36%</b>	<b>612,780</b>

Note: Renter households paying "no cash rent" were not included in calculation. The possible difference between the ACS Summary Table number of cost burdened renters households (238,114) versus the PUMS cost burdened renters (219,709) may be due to different sampling methodology used for the Summary Tables.

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

**Households with Members who are Disabled.** According to the Summary Tables an estimated 17 percent of persons reported they had a disability in 2002. PUMS data was used to determine the number of households with at least one person with a disability that is cost burdened. The data show that 44 percent of all cost burdened owners who pay a mortgage have a disability. The same is true for cost burdened households who are renters. Just over one-fourth of owner households with a disability are cost burdened and 44 percent of renter households with a disability are cost burdened. The percentage of households with a disability that are cost burdened are higher percentages for all types of households.

**Exhibit IV-21.****Households with a Disability who are Cost Burdened, 2002**

Households with a disability	Owners		Renters		Total	
Cost burdened	106,174	27%	95,666	44%	201,840	33%
All households with a disability	394,368	100%	217,295	100%	611,663	100%
<b>Cost Burdened Households</b>						
With a disability	106,174	44%	95,666	44%	201,840	44%
All cost burdened households	241,171	100%	219,709	100%	460,880	100%

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

**Housing Market Analysis.** The 2002 PUMS data allowed for an examination of household income by what households pay in rent and by the value of their property. This allows for a more detailed comparison of what value of units households are occupying and if they are affordable.

Exhibit IV-22 shows that households earning less than 30 percent of the median household income of \$41,300 can afford a home valued at \$43,398 or below. According to PUMS, 79 percent of these households are in units above what they can afford (i.e., they are cost burdened). Half of the households earning between 31 and 50 percent of the median income were in units that were affordable.

**Exhibit IV-22.**  
**Household Property Value of Owner Occupied Units with a Mortgage by Household Income, 2002**

Property Value	Percent of Median Household Income (\$41,300)									
	less than or equal to 30%		31% to 50%		51% to 80%		81% to 100%		greater than 100%	
	< \$12,391		\$20,650		\$33,040		\$41,300		\$41,300+	
Less than \$43,398	7,705	21%	10,575	18%	21,429	16%	11,742	10%	30,969	4%
\$43,398 to \$72,329	9,088	24%	19,504	32%	32,991	25%	25,797	22%	85,894	11%
\$72,330 to \$99,999	10,395	28%	15,511	26%	37,651	28%	34,896	29%	175,768	22%
\$100,000 to \$115,727	1,938	5%	3,537	6%	9,131	7%	12,603	11%	84,199	11%
\$115,728 to \$124,999	1,143	3%	2,085	3%	5,384	4%	7,431	6%	49,640	6%
\$125,000 to \$144,658	1,403	4%	4,631	8%	7,466	6%	8,175	7%	87,288	11%
\$144,659 to \$199,999	2,338	6%	3,042	5%	11,309	9%	11,106	9%	156,288	20%
\$200,000 to \$299,999	1,485	4%	1,334	2%	5,478	4%	5,418	5%	80,073	10%
\$300,000 to \$499,999	1,452	4%	0	0%	1,190	1%	1,202	1%	34,648	4%
\$500,000 or more	295	1%	0	0%	435	0%	199	0%	9,340	1%
<b>Total</b>	<b>37,243</b>	<b>100%</b>	<b>60,218</b>	<b>100%</b>	<b>132,464</b>	<b>100%</b>	<b>118,569</b>	<b>100%</b>	<b>794,107</b>	<b>100%</b>
<b>Total "Overpaying" Hoosiers</b>	<b>29,538</b>	<b>79%</b>	<b>30,140</b>	<b>50%</b>	<b>31,262</b>	<b>24%</b>	<b>17,925</b>	<b>15%</b>		
<b>Total "Underpaying" Hoosiers</b>			<b>10,575</b>	<b>18%</b>	<b>54,420</b>	<b>41%</b>	<b>85,038</b>	<b>72%</b>		

Note: The numbers assume loan terms of 5 percent down, 6 percent interest rate, and 30-year term, adjusted for PMI, hazard insurance, and property taxes.

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

The shaded areas represent households who are in units who spend less than 30 percent of their income on housing. The darker shaded areas represent households who occupy housing in their affordability range. Households who earn less than of equal to 30 percent of the median household income (<\$12,291) can afford homes valued under \$43,399; households in the 31 to 50 percent income category can afford home values under \$72,330; households in the 51 to 80 percent income category can afford home values under \$115,727; and households in the 81 to 100 percent income category can afford home values under \$144,659.

Further analysis of the upper income categories reveals some households are occupying units below their price range. For example, 72 percent of households in the 81 to 100 percent income range are occupying units below what they are able to afford (households in the 81 to 100 percent income category can afford homes valued \$115,727 to \$144,658).

Forty-one percent of the households in the 51 to 80 percent income range are occupying units that are affordable to households in the lower income categories. Sixteen percent of these households are occupying units that would be affordable to households in the extremely income range (less than or equal to 30 percent of AMI). If these households occupied units in their affordability range, between \$72,330 and \$115,727, this would free up those lower priced units for the extremely low income households to occupy.

The following exhibit shows the number of households by income category and the gross rent they pay. According to PUMS, 66 percent of the households who earn less than or equal to 30 percent of the median household income of \$41,300 are in units where they spend more than 30 percent of their income on housing (these households are cost burdened). Just under half of the households in the 31 to 50 percent income category are cost burdened.

**Exhibit IV-23.**  
**Household Gross Rent by Household Income, 2002**

Gross Rent	Percent of Median Household Income (\$41,300)									
	less than or equal to 30%		31% to 50%		51% to 80%		81% to 100%		greater than 100%	
	< \$12,391		\$20,650		\$33,040		\$41,300		\$41,300+	
Less than \$200	30,274	20%	2,967	3%	1,990	1%	465	1%	2,293	1%
\$200 to \$310	21,845	14%	5,466	5%	3,393	3%	2,425	4%	2,317	1%
\$311 to \$516	51,553	34%	47,527	44%	51,339	38%	16,094	26%	25,689	17%
\$517 to \$749	36,883	24%	41,213	39%	62,040	46%	30,613	49%	68,392	44%
\$750 to \$826	6,652	4%	3,087	3%	7,582	6%	3,713	6%	19,523	13%
\$827 to \$1,033	3,652	2%	4,081	4%	4,925	4%	7,254	12%	22,064	14%
\$1,034 to \$1,499	715	0%	1,688	2%	2,628	2%	2,248	4%	13,660	9%
\$1,500 or more	868	1%	827	1%	1,735	1%	217	0%	883	1%
<b>Total</b>	<b>152,442</b>	<b>100%</b>	<b>106,856</b>	<b>100%</b>	<b>135,632</b>	<b>100%</b>	<b>63,029</b>	<b>100%</b>	<b>154,821</b>	<b>100%</b>
<b>Total "Overpaying" Hoosiers</b>	<b>100,323</b>	<b>66%</b>	<b>50,896</b>	<b>48%</b>	<b>9,288</b>	<b>7%</b>	<b>2,465</b>	<b>4%</b>		
<b>Total "Underpaying" Hoosiers</b>			<b>8,433</b>	<b>8%</b>	<b>56,722</b>	<b>42%</b>	<b>53,310</b>	<b>85%</b>		

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

The shaded areas represent households who are in units who spend less than 30 percent of their income on housing. The darker shaded areas represent households that occupy housing in their affordability range. Households who earn less than or equal to 30 percent of the median household income (<\$12,291) can afford rents under \$311; households in the 31 to 50 percent income category can afford rents under \$517; households in the 51 to 80 percent income category can afford rents under \$827; and households in the 81 to 100 percent income category can afford rents under \$1,033.

Examination of the upper income categories reveal that many households may be occupying units that are well below their affordability level. Over three-fourths of the households in the 81 to 100 percent income category occupy units that lower income categories could afford. This may suggest a need for more higher end rental units, which would free up lower priced units for the households in the lower income categories to occupy.

**CHAS data.** HUD provides data on households by income, special need and tenure for use in Consolidated Planning (these data are called CHAS data, after the name of the first consolidated planning reports). Exhibit IV-24 and Exhibit IV-25 present these data for all households in the Indiana State Program for CDBG and HOME.

**Exhibit IV-24.**  
**Housing Problems Output for All Households, State of Indiana CDBG Program, 2000**

Name of Jurisdiction: Indiana State Program(CDBG), Indiana			Source of Data: CHAS Data Book			Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1. Household Income <=50% MFI	34,800	33,709	6,220	30,735	105,464	76,752	33,525	9,224	20,181	139,682	245,146
2. Household Income <=30% MFI	18,722	16,254	2,452	17,463	54,891	29,206	13,154	3,124	10,157	55,641	110,532
3. % with any housing problems	52.9	77.7	83.8	66.9	66.1	61.9	75.8	87.3	72.6	68.6	67.3
4. % Cost Burden >30%	52.2	76.1	78.3	65.6	64.7	61.2	74.9	78.5	71.8	67.3	66
5. % Cost Burden >50%	33.5	55.5	51.8	50.9	46.3	32.3	59.1	62.8	56.5	44.8	45.5
6. Household Income >30% to <=50% MFI	16,078	17,455	3,768	13,272	50,573	47,546	20,371	6,100	10,024	84,041	134,614
7. % with any housing problems	45.9	57.5	65.5	62.3	55.7	27.4	60.4	71.5	55.3	41.9	47.1
8. % Cost Burden >30%	44.9	55.3	40.6	60.2	52.2	26.7	59.2	59.8	54.2	40.3	44.8
9. % Cost Burden >50%	12.3	7.2	4.8	13.4	10.3	10.5	27.8	20.4	27.9	17.5	14.8
10. Household Income >50 to <=80% MFI	10,879	28,213	6,806	22,498	68,396	67,500	63,604	18,648	23,832	173,584	241,980
11. % with any housing problems	23.5	14.8	33.5	19.3	19.5	14.5	35.9	43.6	40.2	29	26.3
12.% Cost Burden >30%	22.2	11.1	7.2	17.6	14.6	14	34.9	29.6	39.3	26.8	23.4
13. % Cost Burden >50%	5.3	0.6	0.3	1	1.4	4.1	7	4.7	9.3	5.9	4.7
14. Household Income >80% MFI	8,946	54,242	9,120	35,721	108,029	116,708	468,969	78,410	72,916	737,003	845,032
15. % with any housing problems	7.3	3.2	24.4	3.3	5.3	4.6	5.9	12	10.7	6.8	6.6
16.% Cost Burden >30%	5.8	0.7	0.4	1	1.2	4.3	5.3	5.1	9.9	5.6	5
17. % Cost Burden >50%	2.7	0.2	0.1	0	0.3	0.7	0.5	0.5	1.1	0.6	0.6
18. Total Households	54,625	116,164	22,146	88,954	281,889	260,960	566,098	106,282	116,929	1,050,269	1,332,158
19. % with any housing problems	37.5	24.6	40.8	28.7	29.6	17.7	12.8	23.2	25.9	16.5	19.3
20. % Cost Burden >30	36.5	22	18	26.7	26	17.3	12.2	14.7	25.1	15.1	17.4
21. % Cost Burden >50	16.6	9.1	6.7	12.3	11.3	6.9	3.6	4.2	9.8	5.2	6.5

Note: Any housing problems includes cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems include overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly households include 1 or 2 person household, either person 62 years old or older.

Renter data does not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: HUD CHAS Data (<http://socds.huduser.org/chas/index.htm?>) Tables F5A, F5B, F5C, F5D, May 6, 2004, 11:30AM MDT.

**Exhibit IV-25.**  
**Housing Problems Output for All Households, State of Indiana HOME Program, 2000**

Name of Jurisdiction: IN State Program(HOME), Indiana			Source of Data: CHAS Data Book			Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1. Household Income <=50% MFI	39,598	39,717	7,389	35,043	121,747	81,933	35,074	9,818	21,442	148,267	270,014
2. Household Income <=30% MFI	21,479	19,372	3,086	19,623	63,560	31,209	13,641	3,295	10,802	58,947	122,507
3. % with any housing problems	52.8	76.7	84.1	67.8	66.3	61.4	76.6	87.3	73	68.5	67.3
4. % Cost Burden >30%	52.1	75.2	77.7	66.7	64.9	60.7	75.6	78.8	72.2	67.3	66
5. % Cost Burden >50%	34.1	55.8	52	51.5	46.9	32.2	59.8	63.3	57.3	44.9	46
6. Household Income >30% to <=50% MFI	18,119	20,345	4,303	15,420	58,187	50,724	21,433	6,523	10,640	89,320	147,507
7. % with any housing problems	47.1	58.2	65.9	63.6	56.8	27.5	60.9	71.3	56.4	42.1	47.9
8. % Cost Burden >30%	46.2	56.2	41.8	61.8	53.5	26.9	59.7	60.3	55.3	40.6	45.7
9. % Cost Burden >50%	12.5	7.1	4.6	13.8	10.4	10.6	28.1	20.1	29.4	17.7	14.8
10. Household Income >50 to <=80% MFI	12,524	32,092	7,694	26,187	78,497	71,150	66,990	19,488	25,705	183,333	261,830
11. % with any housing problems	25.6	15.2	35.6	19.6	20.3	14.8	36.2	43.3	40	29.2	26.5
12. % Cost Burden >30%	24.3	11.3	7	17.9	15.2	14.4	35.2	29.1	39.2	27	23.5
13. % Cost Burden >50%	5.7	0.6	0.2	1.1	1.6	4.1	7.3	4.7	9	6	4.7
14. Household Income >80% MFI	10,200	61,244	10,345	42,072	123,861	122,882	493,693	82,303	79,461	778,339	902,200
15. % with any housing problems	8.2	3.5	26.5	3.4	5.8	4.5	5.9	12.2	10.8	6.9	6.7
16. % Cost Burden >30%	6.8	0.7	0.5	1.2	1.4	4.2	5.4	5.3	10	5.7	5.1
17. % Cost Burden >50%	2.8	0.1	0.1	0.1	0.3	0.7	0.5	0.5	1.1	0.6	0.6
18. Total Households	62,322	133,053	25,428	103,302	324,105	275,965	595,757	111,609	126,608	1,109,939	1,434,044
19. % with any housing problems	38.4	25.3	42.9	28.7	30.3	17.8	12.9	23.3	25.9	16.7	19.7
20. % Cost Burden >30	37.3	22.6	18.8	26.9	26.5	17.4	12.3	14.8	25	15.3	17.8
21. % Cost Burden >50	17	9.4	7.2	12.1	11.6	7	3.6	4.2	9.9	5.2	6.7

Note: Any housing problems includes cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems include overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly households include 1 or 2 person household, either person 62 years old or older.

Renter data does not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: HUD CHAS Data (<http://socds.huduser.org/chas/index.htm?>) Tables F5A, F5B, F5C, F5D, May 6, 2004. 11:30 AM MDT.

**Affordability by Minimum Wage.** A 2003 study by the National Low Income Housing Coalition found that extremely low households in Indiana can afford a monthly rent of no more than \$431, while the HUD Fair Market Rent for a two bedroom unit in the State is \$572. For single earner families at the minimum wage, it would be necessary to work 85 hours a week to afford a two bedroom unit at the HUD Fair Market Rent for the State.

The study analyzed the affordability of rental housing for the State overall and for the State excluding the metropolitan areas. Exhibit IV-26 reports the key findings from the 2003 study. As shown below, in the State's non-metro areas, studio and one-bedroom apartments are relatively affordable to a family earning the median income – that is, families would not be cost-burdened if they rented apartments of this size. However, families with one worker earning the minimum wage would have difficulty renting any size apartment without working more than a 40 hour week.

**Exhibit IV-26.**  
**Housing Cost Burden, Indiana Non-Metro Areas, 2003**

	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Percent of median family income needed	25%	28%	35%	45%	51%
Work hours/week needed at the minimum wage	48	54	69	88	99
Income needed	\$12,899	\$14,475	\$18,438	\$23,676	\$26,439

Note: Family annual median income was estimated at \$52,091 for non-metropolitan Indiana.

Source: National Low Income Housing Coalition, *Out of Reach*, 2003.

**Future housing needs.** As discussed on page 16, approximately 240,000 households who own their homes and 238,000 households who are renting are paying 30 percent or more of their incomes in housing costs and, as such, are cost burdened. Although cost burden can be an indicator of housing need, not all households that are cost-burdened are in need of housing. For example, younger households may choose to be cost burdened when they buy their first or second homes in anticipation of rising incomes in the future. Also, it is not uncommon for elderly households to pay a higher percentage of their incomes in housing costs, because their incomes are often fixed and their other expenses are lower than those of younger households.

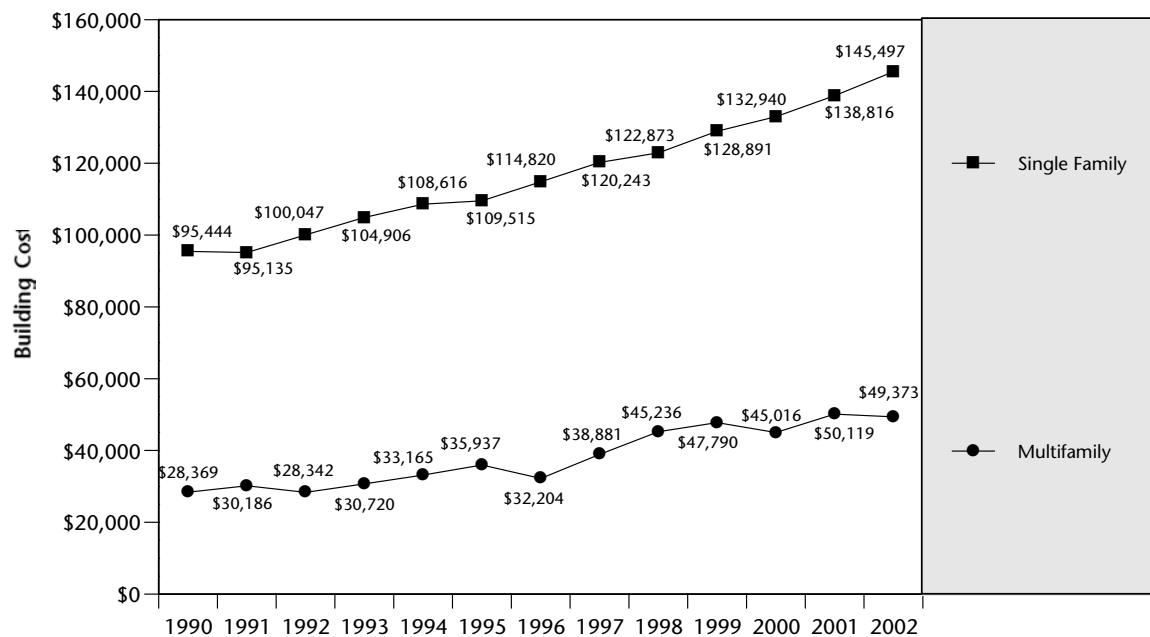
The cost-burdened households with the greatest needs are generally those with the lowest incomes. Unlike households which may be voluntarily cost burdened in anticipation of rising incomes or choose to live in more expensive housing, the State's lowest income households are cost-burdened. The 2002 PUMS reported 152,494 cost-burdened renter households and 88,402 cost-burdened owner households with annual incomes less than \$20,650 (50 percent of the median household income) – for a total of about 241,000 that are likely in need of affordable housing or some level of assistance with housing costs.

As shown in Exhibit IV-27, the cost of new housing in Indiana has been on an upward trend since 1990, as measured by the value of the housing constructed when units are permitted. These trends suggest that new housing is unlikely to grow more affordable in future years. However, the new housing may free up affordable housing currently occupied by households who could pay more for housing costs.

Between 1990 and 2002 the average cost for single family units increased by approximately 52 percent and 5 of more units of multifamily housing increased by 74 percent. The average annual cost increase was 3.6 percent for single family housing and 5.1 percent for 5 or more units of multifamily housing for the same time period.

The following exhibit shows the annual average building cost for single family and 5 or more units of multifamily housing between 1990 and 2002.

**Exhibit IV-27.**  
**Average Building Cost for Single Family and Multifamily 5 or More Units in Indiana, 1990 to 2002**



Note: Permit authorized construction.

Source: U.S. Census Bureau and Indiana Business Research Center.

If the State experiences the same level of population growth between 2002 and 2005 as it has so far this decade and the distribution of housing prices remains that same as it was in 2000, (which is unlikely given recent trends – therefore this would be a best case scenario) an estimated 367,000 low-income households will be cost-burdened and in need of some type of housing assistance in 2005.



**Disproportionate need.** The 2000 Census reports the median rent and mortgage costs as a percentage of household income by race and ethnicity. These data are useful in identifying households (by race and ethnicity) that may have a disproportionate level of affordable housing need. If households of a certain race or ethnicity are more likely to be cost-burdened than others, they are likely to have greater housing needs than other households.

Exhibit IV-28, below, shows the median rent and housing costs for households with mortgages by race and ethnicity in 2000.

**Exhibit IV-28.**  
**Median Housing Costs as a Percentage of Income, by Race and Ethnicity, 2000**

Household Race/Ethnicity	Rent/Income	Mortgage/Income
White	23.5%	19.1%
African-American	26.5%	21.5%
American Indian/Alaskan Native	25.7%	20.9%
Asian	23.3%	19.9%
Native Hawaiian/Pacific Islander	26.1%	19.8%
Some Other Race	21.8%	20.4%
Two or more races	26.7%	21.0%
Hispanic/Latino	22.1%	20.0%

Source: U.S. Census of the Bureau, 2000.

The comparison of housing costs as a percent of income by race and ethnicity shows modest differences between the housing cost burden. Whites, Asians, and Hispanics/Latinos pay a lower percentage of their incomes in rents and mortgages than African-Americans, American Indians/Alaskan Natives and individuals of other races. The difference is largest for renter households, particularly for African-American, Native Hawaiian/Pacific Islander, and Two or More Races households.

### **Barriers to Affordable Housing**

The State of Indiana traditionally has followed the philosophy that local leaders should have control over local issues. As such, most of the laws affecting housing and zoning have been created at the urging of local jurisdictions and implemented at local discretion. Indiana is a "home rule" State, meaning that local jurisdictions may enact ordinances that are not expressly prohibited by or reserved to the State.

**Tax policies.** Indiana communities' primary revenue source is the property tax. Taxes are based on a formula that assesses replacement value of the structure within its use classification. Single family homes are assessed as residential; multi family property is assessed as commercial. Condition, depreciation and neighborhood are factored in to the tax assessment. Commercial rates are higher than residential rates; however, real estate taxes are a deductible business expense.

The state government also collects a very small part of the property tax, at a rate of one cent per \$100 assessed value. The property tax is administered on the state level by the Indiana Department of Local Government Finance, and on the local level by the county and township assessors, the county auditor and the county treasurer.

**Zoning ordinances and land use controls.** There is no State level land use planning in Indiana. State enabling legislation allows jurisdictions to control land use on a local level. Cities or counties must first establish a planning commission and adopt a comprehensive plan before enacting a zoning ordinance. A recent study completed by the Indiana Chapter of the American Planning Association identified that roughly 200 cities and counties have planning commissions in place.

In addition to local land use controls, certain federal or State environmental mandates exist. For instance, residential units may not be constructed in a designated flood plain. The Indiana Department of Environmental Management directs most of the Environmental Protection Agency regulations for the State.

Certain neighborhoods have been designated historic districts by local communities. In these areas, exterior appearance is usually controlled by a board of review, which is largely made up of area residents. As with zoning, there is an appeals process for review of adverse decisions. These types of land use controls should not preclude development of low income housing; they simply regulate the development so that it does not adversely affect the existing neighborhood.

Some developments impose their own site design controls. Such controls are limited to a specific geographic area, enforced through deed covenants, and designed to maintain property value and quality of life. For example, apartment complexes may be required to provide sufficient "green space" to allow for children's play areas.

Many local zoning codes require an exception or variance for the placement of manufactured housing. This could make it more difficult to utilize manufactured housing as an affordable housing alternative.

The Indiana Code (IC 36-7-4-1326) provides local governments the ability to remove a possible barrier to affordable housing. The code states an impact fee ordinance may provide for a reduction in an impact fee for housing development that provides sale or rental housing, or both, at a price that is affordable to an individual earning less than 80 percent of the median income for the county in which the housing development is located.

**Subdivision standards.** The State of Indiana authorizes jurisdictions to develop local subdivision control ordinances. Legislation describes the types of features local governments can regulate and provides a framework for local subdivision review and approval. Subdivision ordinances can drive up the costs of housing depending on the subdivision regulations. For example, large lot development, extensive infrastructure improvements such as sidewalks or tree lawns can add to development costs and force up housing prices. The State encourages local communities to review local subdivision requirements to be sure they do not impede the development of affordable housing.

**Building codes.** The State has adopted a Statewide uniform building code based on a recognized national code. These minimum building construction standards are designed solely to protect the health and welfare of the community and the occupants. Planners point out that it is not uncommon for builders to exceed the minimum building code.

The recently updated State building code includes a provision aimed at ensuring compliance with the accessibility standards established under the federal Americans with Disabilities Act (ADA).

**Permits and fees.** Local building permits, filing and recording fees, fees for debris removal, and fees for weed removal are the most common fees and charges applicable to housing development. All appear to be nominal amounts and not sufficient to deter construction or rehabilitation of low- and moderate-income housing. Some exceptions may apply to the provision of manufactured housing.

**Growth limits.** Few communities within Indiana are facing insurmountable growth pressures. Some communities have been forced to slow growth so that municipal services and infrastructure can be expanded to support new growth areas. However, these measures address temporary gaps in service and do not reflect long-term policies.

**Excessive exclusionary, discriminatory or duplicative policies.** In developing this housing strategy, the State has not been able to identify any excessive exclusionary, discriminatory or duplicative local policies that are permitted by State laws and policies.

**Ameliorating negative effects of policies, rules or regulations.** Over the next five years, Indiana expects to see further consolidation of housing programs at the State level and concurrently, maturation of the associated programs and policies, as well as further decentralization of service provision. Interviews and regional forums did not surface many concerns regarding State and local policies as deterrent to the production of affordable housing.

## **Summary of Findings**

The following exhibit is a summary of key findings for Indiana in 2002 as reported throughout this section. The exhibit shows findings concerning housing condition, affordability and HUD's CHAS tables.

**Exhibit IV-29.**  
**Summary of Findings, Indiana, 2002**

Housing Condition		Households
<b>% of households overcrowded</b>		<b>1.9%</b>
less than or equal to 30% of AMI		1.7%
31% to 50% of AMI		2.2%
51% to 80% of AMI		1.6%
81% to 100% of AMI		2.5%
greater than 100% of AMI		1.8%
<b>Units lacking:</b>		
Complete plumbing		8,813
Complete kitchen facilities		13,000
<b>Lead-based paint risk:</b>		
Renters		131,476
Very low income (less than 30%)		131,152
Affordability		Households
<b>Cost burdened owners</b>		239,712
<b>Cost burdened renters</b>		238,114
<b>Cost burdened households with disabled members</b>		201,840
<b>Households "underpaying" for housing</b>		
51% to 80% of AMI		111,142
81% to 100% of AMI		138,348
CHAS	CDBG	HOME
<b>Households with housing problems:</b>		
Elderly ( 1 & 2 members)	332,364	338,363
Small related (2 to 4)	728,966	729,069
Larger related (5 or more)	137,066	137,125
All other households	222,720	230,014
<b>Total</b>	<b>1,421,116</b>	<b>1,434,571</b>

Source: U.S. Census Bureau and BBC Research & Consulting.

# PHA Survey Results

To better understand the demand for rental assistance, a mail survey of Public Housing Authorities (PHAs) in non-entitlement areas in the State was conducted as part of the Consolidated Plan process. The survey asked about Section 8 Housing Choice (HC) voucher usage by individual housing authorities, and was administered between January and February 2004. Forty-three surveys were mailed and 29 responses were received, a 67.4 percent response rate.

Of the housing authorities that administer HC vouchers, the average number administered at the time of the survey was 183, with a low of 5 and a high of 417 (6 of the respondent PHAs did not administer any vouchers). The utilization rate was overwhelmingly high, with the average being 99 percent. No single housing authority indicated utilization below 92 percent. The survey results also indicate that waiting lists are typical, and the wait list length is generally longer than one year. The average number of households on the waiting list was 117, with most housing authorities indicating a wait of greater than six months for all sized units. Most wait lists were in the one to three bedroom categories.

Exhibit 1 and 2 below, show the waiting lists of the respondent PHAs in terms of number of households and months. The survey also asked for the average number of households on authority waiting lists in 2003. Exhibit 3 shows the average number of households on the waiting list in 2003 by PHA.

## Exhibit 1. Households on Waiting Lists, February 2004

City	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Total on Waiting List
Anonymous	0	14	60	42	5	121
Bedford	0	18	12	18	1	49
Charlestown	0	6	16	4	0	26
Crawfordsville	0	139	181	100	5	425
Kendallville	0	5	25	10	0	40
Knox	0	79	107	58	0	244
Logansport	0	81	57	42	10	190
Marshall	0	78	99	48	4	229
New Castle	0	109	152	77	4	342
Richmond	3	18	63	75	5	164
Rome	0	0	0	5	5	10
Sellersburg	0	7	15	8		30
Seymour	0	39	66	26	2	133
Sullivan	0	12	20	6	4	42
Tell City	0	14	5	4	2	25
Union City	0	8	14	17	4	43
Vincennes	0	108	80	50	8	246
<b>Total by Size</b>	<b>3</b>	<b>735</b>	<b>972</b>	<b>590</b>	<b>59</b>	<b>2,359</b>

Source: BBC Research & Consulting.

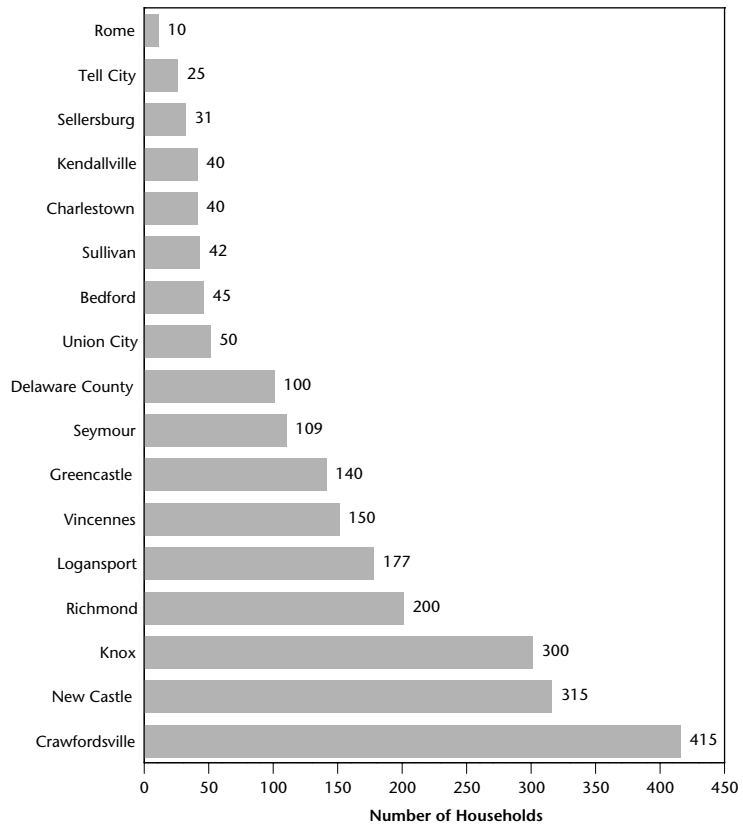
**Exhibit 2.**  
**Months to Reach Top of Waiting List, February 2004**

City	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Anonymous	0	6	6	6	6
Bedford	0	12	6	45	8
Charlestown	0	6	6	6	0
Crawfordsville	0	>12	>12	>12	>12
Delaware County	9 to 12	9 to 12	9 to 12	9 to 12	9 to 12
Elwood	>6	>6	>6	>6	>6
Kendallville	0	18	20	20	0
Knox	0	12	12	12	0
Logansport	0	12	12	12	12
Marshall	0	10	19	19	24
New Castle	0	4	6	5	6
Richmond	12 to 18	12 to 18	12 to 18	12 to 18	12 to 18
Rome	0	0	0	12 to 24	12 to 24
Sellersburg	0	6 to 12	12	12	0
Seymour	0	12	12	12	12
Sullivan	0	4	4	4	4
Union City	0	6	5	5	5
Vincennes	0	6 to 12	6 to 12	6 to 12	6 to 12

Source: BBC Research & Consulting.

**Exhibit 3.**  
**Average Number of Households on Waiting List, 2003**

Source:  
BBC Research & Consulting.



Of the respondents to the survey, 65 percent state that HC voucher utilization had fallen below 95 percent during at least one prior year. The majority of lower utilization years were from 2000 to 2002. The primary reasons for lower utilization provided are, in order of frequency response: unit shortages, poor management of the HC voucher programs, and low HUD-specific Fair Market Rents. Approximately \$485,000 in voucher funding was returned to HUD. The unit shortages during years 2000 and 2001 may have been related to the phenomenal economics of those years. Rental owners were probably less likely to want to accept vouchers at that time. Six housing authorities have had to return portions of voucher funding to HUD, with the primary reason of low utilization.

Most households on waiting lists for vouchers are families with children that are living in the lowest median income bracket. On average, 76 percent of the PHAs voucher holders earn 30 percent of Area Median Income (AMI) or less, and 69 percent of voucher holder households are families with children. The second largest household group is non-elderly persons with disabilities, averaging 16 percent of housing authority waiting lists. However, only five of respondent housing authorities have ever applied for vouchers designated for persons with disabilities. Most housing authorities accessible units administered are one and two bedroom units. Exhibit 4 shows the types of households on the waiting lists as estimated by the PHAs.

**Exhibit 4.**  
**Estimated Percentage of Households on Waiting List, by Household Type**

Cities	Families With Children	Elderly without Disabilities	Elderly with Disabilities	Non-elderly with Disabilities
Anonymous 1	90%	1%	1%	0%
Anonymous 2	69%	N/A	N/A	N/A
Anonymous 3	75%	5%	5%	15%
Bedford	60%	10%	20%	70%
Charlestown	80%	0%	10%	10%
Crawfordsville	64%	8%	3%	10%
Delaware County	80%	10%	5%	5%
Elwood	80%	15%	0%	5%
Greencastle	58%	6%	5%	14%
Kendallville	94%	3%	2%	1%
Knox	60%	25%	10%	5%
Logansport	54%	2%	2%	33%
Marshall	58%	2%	5%	35%
New Castle	49%	18%	14%	19%
Richmond	64%	21%	12%	3%
Rome	80%	10%	0%	10%
Sellersburg	23%	0%	7%	0%
Seymour	71%	1%	6%	42%
Sullivan	62%	0%	7%	14%
Tell City	80%	10%	10%	0%
Union City	50%	30%	10%	10%
Vincennes	44%	9%	11%	36%

Source: BBC Research & Consulting.

It appears that the need is high for both additional affordable rental units and more HC vouchers. Respondents were evenly divided between the need for HC vouchers versus additional affordable housing, with 14 percent indicating that there was a need for both. Exhibit 5 shows how the PHAs responded to the question about TBRA and affordable units need.

**Exhibit 5.  
Greater Need for  
Tenant Based Rental  
Assistance versus  
Affordable Units**

Source:  
BBC Research & Consulting.

	Greater Need For Tenant Based Rental Assistance	Greater Need For Affordable Units
Anonymous		✓
Bedford		✓
Charlestown		✓
Delaware County		✓
Elwood		✓
Greencastle	✓	✓
Kendallville	✓	✓
Knox	✓	✓
Logansport		✓
New Castle	✓	
Peru	✓	
Richmond	✓	
Rome		✓
Sellersburg	✓	
Seymour	✓	
Sullivan	✓	
Tell City	✓	✓
Union City	✓	
Vincennes		✓

According to the survey, families, particularly large families with three or more children are having difficulty finding units that accept vouchers. Of the 62 percent of respondents answering 'yes' to applicants having difficulty, 35 percent indicated that large families had the most difficulty. Exhibit 6 lists the types of households having the most difficulties finding housing, according to the PHAs. Other responses were individualized to each respondent's area, with no particular trends of note.

**Exhibit 6.  
Types of Households  
Having Difficulty Finding  
Units That Accept  
Vouchers**

Source:  
BBC Research & Consulting

City	Difficulty
Anonymous	Transient households and Single Women
Bedford	Disabled; Families with more than three children
Delaware County	Disabled and Elderly persons, due to public transportation and services issues
Greencastle	Poor rental history; Bad Credit
Knox	Tenants with history of abusing properties
Logansport	Large Families
New Castle	Handicapped (accessible units)
Peru	Large Households - Four bedrooms and up
Richmond	Large Families (four + children); Race is a factor in some neighborhoods
Rome	Large Families
Seymour	Large Households - Four bedrooms and up
Sullivan	Those with poor credit; poor landlord references



# 2004 Indiana Consolidated Plan PHA Survey

The State of Indiana Department of Commerce, Indiana Housing Finance Authority and the Family and Social Services Administration are currently preparing the 2004 Consolidated Plan for the U.S. Department of Housing and Urban Development. This plan will include a housing market analysis, which will examine the need for affordable rental units and vouchers in the State. To aid in this effort, please fill out this brief survey and return by February 15, 2004. We appreciate your assistance.

1. As of December 31, 2003, how many Housing Choice vouchers did your Housing Authority administer? \_\_\_\_\_

2. As of December 31, 2003 what was the utilization rate of your Housing Choice vouchers? \_\_\_\_\_

3. As of December 31, 2003, how many households were on your waiting list for Housing Choice vouchers by unit size? On average, how long does it take a household to reach the top of the waiting list? Please complete the chart below:

Unit Size	Length of Waiting List (Number of Households)	Time to Reach Top of Waiting List (months)
Studio/Efficiency		
1 bedroom		
2 bedroom		
3 bedroom		
4 bedroom		
More than 4 bedrooms		

4. During 2003 what was the average number of households on your waiting list for Housing Choice vouchers? \_\_\_\_\_

5. Has your Housing Authority's Housing Choice voucher utilization rate ever fallen below 95 percent?

☐ Yes ☐ No

5a. If so, during what year? \_\_\_\_\_

5b. If so, what was the primary reason for the low utilization rate? \_\_\_\_\_

6. Has your Housing Authority ever had to return part of its voucher funding to HUD because of low utilization?

6a. If yes, what year did this occur? \_\_\_\_\_

6b. If yes, how much funding was recaptured (by year)? \_\_\_\_\_

6c. If yes, Please explain the reason for the recapture. \_\_\_\_\_

7. By percent, roughly how many households on your current waiting list for vouchers earn 30 percent of median income or less, between 31 and 50 percent of median income and between 51 and 80 percent of median income?

Earn 30 percent of area median income (AMI) or less \_\_\_\_\_%

Earn between 31 and 50 percent of AMI \_\_\_\_\_%

Earn between 51 and 80 percent of AMI \_\_\_\_\_%

Other (specify) \_\_\_\_\_%

**Total** **100%**

8. By percent, roughly how many households on your waiting list for vouchers are families with children, elderly or people with disabilities?

Families with children \_\_\_\_\_% of total households

Elderly (without disabilities) \_\_\_\_\_% of total households

Elderly (with disabilities) \_\_\_\_\_% of total households

Non-elderly with disabilities \_\_\_\_\_% of total households

9. What is the greater need in your community—tenant based rental assistance (e.g., rental vouchers) or additional affordable rental units? Please explain. \_\_\_\_\_

# 2004 Indiana Consolidated Plan PHA Survey

10. How easy is it for the average applicant to find a unit in your community that accepts vouchers?

☐ Very easy      ☐ Difficult  
☐ Easy      ☐ Very Difficult

11. Is it particularly difficult for individuals or households with certain characteristics to find a unit that accepts vouchers? If so, please list those characteristics. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

12. How many accessible public housing units does your Housing Authority administer, by bedroom size?

Number of Bedrooms	Number of Accessible Units
Studio/Efficiency	
1 bedroom	
2 bedroom	
3 bedroom	
4 bedroom	
More than 4 bedrooms	

13. Does your Housing Authority provide funds for adaptive modifications of Section 8 funded units in the Housing Choice Voucher program?

☐ Yes      ☐ No

14. Has your Housing Authority ever applied for vouchers designated for persons for disabilities?

☐ Yes      ☐ No

- 14a. If yes, were these vouchers well utilized? Why or why not? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

15. Do you permit applicants to reject public housing units and remain on your waiting lists?

☐ Yes      ☐ No

16. Do you have a policy of evicting tenants the first time they violate resident rules?

☐ Yes      ☐ No

## Contact Information (Optional)

PHA Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone/e-mail: \_\_\_\_\_

Would you like to receive a copy of the State Consolidated Plan Executive Summary?

☐ Yes      ☐ No

Would you like to receive information about the State Consolidated Planning process?

☐ Yes      ☐ No

## For Further Questions and Information, Please Contact:

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**Thank You for Your Assistance!**